

## **AG ISSUES UPDATE**

**Edited by Sara Hricko**

**April 2025**

### **H2A Visa Holder UC Exemption – Memo from Representative Christina Sappey – March 24<sup>th</sup>, 2025**

In the near future, I plan to introduce legislation to align state and federal tax policy on H2A labor unemployment compensation. This change will not result in a loss of benefit for farm workers or change any aspect of federal immigration policy.

Currently, under state and federal law, H2A visa workers are not eligible to collect unemployment compensation. H2A wages have been permanently exempted from federal unemployment compensation for nearly 25 years. As such, the federal government does not require employers to withhold unemployment compensation from H2A worker paychecks.

However, Pennsylvania still requires both farmers and these foreign workers to pay into the state's unemployment fund. These workers will never be able to collect on the unemployment funds they and their employer have paid in. This is resulting in Ag industries and operations paying several thousands of dollars in unnecessary taxes, and workers having a portion of their paycheck docked.

Many Pennsylvania agricultural operations and industries depend heavily on federal H2A visa holders for seasonal and year-round labor. Those working in Pennsylvania's number one industry putting food on our tables should have a clear, consistent tax policy in place.

I hope you will join me in co-sponsoring this important piece of legislation

### ***USApple Updates***

#### **April 4<sup>th</sup> Member Alert**

Following the President's tariffs announcement this week, USApple calculated that U.S. apple and apple juice imports could face \$160 million in tariffs, based on 2024 import values.



# U.S. Apple Tariffs: Direct Impacts

As of April 4, 2025

On April 2, 2025, the U.S. announced a series of wide-ranging tariffs on imported goods.

It is not yet known which countries will respond and to what degree, but what is known are the current levels of imported fresh apples and apple products and the proposed tariff levels.

Based on 2024 import values, the tariffs levied on U.S. companies would be the following:

 FRESH	\$10 M	 JUICE	\$150 M
▶ New Zealand	\$4.4 M	▶ China	\$81.6 M
▶ Chile	\$4.0 M	▶ Türkiye	\$28.4 M
▶ China	\$1.4 M	▶ South Africa	\$ 8.1 M
▶ Argentina	\$0.2 M	▶ Moldova	\$ 7.2 M
▶ All Other	\$0.2 M	▶ All Other	\$24.4 M

\* Apples that are harvested in Canada **may** or may not be subject to the reciprocal tariff. USMCA eligibility may be denied based on a lack of record keeping and proper documentation.



## USApple Statement on Tariff Announcement

With the President's tariffs announcement, all of the top 5 export markets for U.S. apples have been targeted. Mexico, Canada, Taiwan, Vietnam, and India in 2024 combined to purchase \$756 million worth of U.S. apples.

We support holding trading partners accountable. Countries that would be ideal markets for U.S. apples shut us out due to non-tariff trade barriers. That’s why USApple strongly supported the United States-Mexico-Canada Agreement which is working well, and those countries remain our largest export destinations.

As we painfully experienced with India in the past, U.S. tariffs can trigger retaliatory measures that restrict access to key export markets and harm apple growers across the country. It’s critical for the health of the entire U.S. apple industry to maintain strong, stable trade relationships with all of our current and potential export partners.

At the end of March, 90 apple growers, packers, and shippers from 14 states traveled to Washington, D.C. for USApple’s Capitol Hill Day. In more than 100 meetings with House and Senate offices, industry leaders delivered a clear message to lawmakers: trade matters to the future of the U.S. apple industry.

## Capitol Hill Day Administration Meeting

President Trump's new Deputy Secretary of Labor Keith Sonderling joined our Government Affairs Committee chaired by Steve Smith, Washington Fruit & Produce, for a lengthy in-depth discussion of the dire situation in ag labor. Sonderling had been in his position as the second-highest DOL official for only 2 weeks, so this was his first meeting with an ag industry group. He previously served as administrator of the DOL Wage and Hour Division in the first Trump Administration, so he is very knowledgeable of the apple industry's dependence on the H-2A visa program.

The USApple officers met with Riley Pagett, USDA chief of staff for international trade. The discussion included the potential for U.S. apple exports to destinations including Indonesia and Japan, as well as a frank exchange on the damaging effects of tariff wars on apple exports with the five-year loss of the India market as a painful recent example.

## **USApple Monitoring Tariff Situation**

As we send this Apple Bites, President Trump is speaking in the White House Rose Garden, announcing his new reciprocal tariffs. What we know so far is that the #3 (Taiwan), #4 (Viet Nam), and #5 (India) export markets for U.S. apples will be hit with tariffs of 46%, 26% and 32%, respectively. Those three nations totaled 8.7 million bushels of apple imports from the U.S. in 2023-24, valued at \$205 million. President Trump already announced tariffs weeks ago on our top two markets, Mexico and Canada. We will report back if any U.S. export markets announce retaliatory actions against the U.S.

## **Canada's 2<sup>nd</sup> Batch of Retaliatory Tariffs to include U.S. Apples**

(March 14<sup>th</sup>) Canada has announced plans to implement a second round of retaliatory tariffs on \$125 billion in imports of additional goods from the U.S. This new list includes apples (see tariff code 0808.10.10 for apples). If implemented, the new batch of tariffs could go into effect in April.

In 2023-24 Canada imported 7.4 million bushels of U.S. apples valued at \$167 million.

## ***PSU Ag and Shale Law***

## **Agribusiness: FinCEN Publishes Interim Final Rule Limiting BOI**

Reporting Requirement to Foreign Companies

On March 26, 2025, the U.S. Financial Crimes Enforcement Network (FinCEN) published in the Federal Register an interim final rule (90 FR 13688) to require only "foreign reporting companies" to report

Beneficial Ownership Information (BOI) under the Corporate Transparency Act (CTA). According to the rule, “entities previously defined as ‘domestic reporting companies’ are exempted from the reporting requirements and do not have to report BOI to FinCEN, or update or correct BOI previously reported to FinCEN.” Additionally, foreign reporting companies are not required to “report the BOI of any U.S. persons who are beneficial owners of the foreign reporting company” nor are U.S. persons required to “provide such information to any foreign reporting company for which they are a beneficial owner.” Under the rule, entities formed before March 26, 2025, must file BOI by April 25, 2025, and any entity formed after March 26 must file BOI within 30 days of its registration. The interim final rule is available for public comment until May 27, 2025.